

CHAPTER 13

SECTION 6.4

HOSPITAL REIMBURSEMENT - PAYMENT WHEN ONLY SNF LEVEL OF CARE IS REQUIRED

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I. ISSUE

How is a hospital to be paid for a patient who only requires SNF care?

II. POLICY

A. Payment Rate.

1. When it is determined that a hospital may be paid for care provided to a beneficiary who requires only SNF care, payment is to be at the SNF rate.

2. In order to determine the payment, the contractor is to use either the rate for the SNF which most likely would be used by the beneficiary, or it may use an average of the rates of comparable, equally accessible SNFs.

III. CONSIDERATIONS

A. Long-stay outlier.

1. In those cases in which the hospital involved is subject to the TRICARE/CHAMPUS DRG-based payment system, no additional payment is to be made to the hospital for any days of care up to the long-stay outlier cutoff (see [Chapter 13, Section 6.1H](#)).

2. For any days beyond the long-stay outlier cutoff, the hospital is to be paid at the SNF rate as described above. (Since medical necessity/level-of-care determinations will not be made by the contractor, but only by the PRO, this provision will not involve initial claims processing but only adjustments.

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